LIQUID
INTELLIGENT TECHNOLOGIES

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
(“the Group”, “Liquid” or “Liquid Intelligent Technologies”)

FINANCIAL RESULTS FOR THIRD QUARTER AND NINE MONTHS ENDED 30 NOVEMBER 2023

Sustained strong revenue growth excluding the impact of FX movements

25 January 2024

Leading pan-African technology solutions group, Liquid Intelligent Technologies, a business of Cassava Technologies, announces financial results for the third quarter and nine months ended 30 November 2023

Strategic highlights:

- The International Finance Corporation and Rand Merchant Bank to provide approx. USD 50 million in funding to facilitate increased universal and affordable broadband access in South Africa’s Eastern Cape Province
- Liquid C2 and Google Cloud partner to bring Google’s Cloud and Cyber Security technologies to African businesses and Governments
- Liquid Dataport expands the Group’s presence in West Africa via a partnership agreement in Côte d’Ivoire

Financial highlights:

- Reported revenue grew 11.4% year-on-year in the first nine months and 7.0% year-on-year in the third quarter driven by strong performances across the Group, notably in the Network and C2 segments
  - In South Africa, excluding the impact of FX, total revenue grew 20.9% in the first nine months and 28.5% in the third quarter, including USD 7.1 million as a “sale of infrastructure” benefit related to the Eastern Cape Government (ECG) project
- Adjusted EBITDA[1] increased 13.2% year-on-year on a year-to-date basis to USD 177.0 million driven by broad based growth across the Group, including an increased contribution from Liquid South Africa
- Cash generated from operations decreased 11.6% year-on-year in the first nine months to USD 137.7 million due to increased prepayments to mitigate FX
- Net debt[2] amounted to USD 861.6 million, leading to a net debt to adjusted EBITDA[1,2,3] of 3.33x, compared to 3.68 times in the equivalent period last year

Group Financials	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2023 (USDm)	30 Nov 2022 (USDm)	YoY (%)	30 Nov 2023 (USDm)	30 Nov 2022 (USDm)	YoY (%)
Revenue	494.2	443.8	11.4	167.3	156.4	7.0
Adjusted EBITDA	177.0	156.4	13.2	55.3	59.8	(7.5)
Cash generated from operations	137.7	155.8	(11.6)	51.5	45.8	12.4
Net debt	861.6	842.5	2.3	861.6	842.5	2.3
Net debt / adjusted EBITDA (x)	3.33	3.68	n/a	3.33	3.68	n/a

[1] Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, impairment and amortisation, and is also presented before recognising the following items: gain on bargain purchase, acquisition and other investment costs, fair value gain on derivative assets, net foreign exchange (loss)/gain and hyperinflation monetary gain.
[2] Net debt is defined as gross debt less unrestricted cash and cash equivalents.
[3] Adjusted EBITDA for the last twelve months.

Group Chief Executive Officer, Hardy Pemhiwa, commented:
"It is very encouraging that despite the macro-economic headwinds that persist in many of our markets, we are reporting strong financial performance in the third quarter, delivering improved revenue growth on a reported basis and after we strip out the impacts of adverse FX movements in our largest markets.

Our performance in South Africa continues to stand out, with reported and constant currency revenue growth improving quarter-on-quarter. This includes a benefit from the sale of infrastructure related to the Eastern Cape Government project. However, even without this benefit, revenue growth has continued to grow robustly. This is a function of a strong local management team and progress on our refreshed go-to-market strategy focused on delivering on the Group's strategic direction.

Key strategic milestones in the quarter included the finalisation of agreements with the International Finance Corporation (IFC) and Rand Merchant Bank (RMB) to facilitate increased universal and affordable broadband access in the Eastern Cape Province of South Africa. Through Liquid C2 we also announced our partnership with Google Cloud to bring Google's AI, Cloud and Cyber Security technologies to African businesses and the public sector. Liquid Networks launched two new, fully redundant, terrestrial routes between Kenya and Ethiopia and Zambia and Malawi. Furthermore, Liquid Dataport led an exciting expansion of the Group's presence in Côte d'Ivoire in West Africa, a market with significant growth potential in which, to date, we have had limited operations."

Group Chairman, Strive Masiyiwa, added:
"Our vision: *a digitally connected future that leaves no African behind*, is the backbone of Liquid's raison d'être. This is fundamental to our existence and is the driving force behind our key objective, the provision of connectivity and digital solutions to drive inclusion across Africa. Therefore, it was particularly pleasing that during the quarter we reached significant milestones in support of this vision.

Funding agreements with the IFC and RMB will see them partner with us to support universal and affordable broadband access in the Eastern Cape. South Africa's Eastern Cape is one of the least connected regions in the country and the support and investment we have received demonstrates our collective commitment to advancing South Africa's broadband connectivity and uplifting the communities in which we do business.

Building on this, in Côte d'Ivoire, where internet penetration is below 50%, Liquid Dataport has taken a significant step in expanding Liquid's network and service capabilities across West Africa, which is a key growth market for the company."

There will be an investor call at 14:00 UTC today, further details can be found on our website.

For further information please contact:
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About Liquid Intelligent Technologies
Liquid Intelligent Technologies is a business of Cassava Technologies, a pan-African technology group with operations in more than 25 countries in Africa. Liquid has firmly established itself as the leading provider of pan-African digital infrastructure with a near 110,000 km-long fibre broadband network and satellite connectivity that provides high-speed access to the Internet anywhere in Africa. Liquid is also leveraging its digital network to provide Cloud and Cyber Security solutions through strategic partnerships with leading global players. Liquid is a comprehensive technology solutions group that provides customised digital solutions to public and private sector enterprises and SMEs across the continent. https://www.liquid.tech/

OPERATIONAL AND FINANCIAL REVIEW

Liquid Intelligent Technologies is a technology, broadband data connectivity and digital solutions provider to enterprise and retail customers across more than 25 countries primarily in Central, Eastern and Southern Africa.

Key performance indicators (KPIs)

The following table sets out the Group's key performance indicators:

Key performance indicators	Q1 2022-23	Q2 2022-23	Q3 2022-23	Q4 2022-23	FY 2022-23	Q1 2023-24	Q2 2023-24	Q3 2023-24
Total fibre network (Kms) [1]	102,559	102,722	103,794	104,353	104,353	106,037	107,597	107,750
Average churn rate (%) [2]	0.66%	0.87%	0.83%	0.77%	0.78%	0.53%	0.45%	0.41%
Monthly recurring revenue (%) [3]	89.6%	90.6%	92.7%	77.3%	87.1%	88.0%	88.8%	89.9%
Cloud seats YoY growth (%) [4]	53.6%	62.3%	59.0%	73.0%	73.0%	66.6%	50.2%	41.2%
Total capacity on subsea assets (Gbps) [5]	821	834	1,034	1,034	1,034	3,104	3,125	3,125

[1] Total fibre network in kilometres (incl. backbone, metro and FTTX) through which fibre is installed. Multiple kilometres of fibre cables or ducts within the same trench/overhead line are counted individually. Includes both owned and leased capacity through partnerships.
[2] Average churn rate represents the monthly recurring revenue that was lost during the period following a price reduction or termination of service due to disconnections, downgrades, price reduction and non–renewals, divided by the total revenue for the period.
[3] Monthly recurring revenue is the total of all recurring revenue usage in the period normalised into a monthly amount and expressed as a percentage of total revenue in the same period.
[4] Year-on-year growth for the equivalent period in the number of paid for Cloud license seats.
[5] Capacity, in gigabits per second, purchased by, activated by, or reserved for, Liquid Intelligent Technologies on subsea cables (incl. IRUs).

Our network build is largely complete and therefore the fibre build slowed, we added 153 kilometres in the third quarter as we focus on monetising our existing footprint with more targeted network densification.

Delivering on our customer satisfaction promise remains integral to our long-term success. We remain laser focused on providing value to our customers via competitive and comprehensive high-quality solutions. As a result, our market leading churn remained below 1%, improving slightly to 0.41% in the third quarter versus 0.45% in Q2 FY 2023-24, a significant improvement on the same period in the prior year.

We maintained a high level of monthly recurring revenue (MRR) during the period at 89.9%, higher than the previous quarter, but slightly lower on the equivalent period last year (Q3 FY 2022-23: 92.7%). We remain determined to retain a high level of MRR to deliver more consistent and predictable revenue streams.

Our year-on-year growth in Cloud seats was 41.2% in the third quarter, driven by the strong performance of Cloudmania in Rest of World as well as underlying market growth. This is a key part of our strategy of delivering digital solutions to existing and new customers over our digital infrastructure.

Subsea capacity remained flat at 3,125 Gbps in the third quarter.

Segments

Network - These revenue streams are at the core of the company and this segment includes revenue from all our owned and leased fibre infrastructure, including the long-haul Cape to Cairo, East to West and South Africa NLD (National Long Distance) routes as well as Metro and FTTH networks.

C2 - This encompasses our cloud and cyber security offerings including managed services, as this segment grows it will include other complementary digital products.

Dataport - This segment includes revenue from agreements with subsea cable providers, satellite services, hosting of landing stations and providing the gateway to large, global network provision agreements.

Voice - This segment is primarily revenue from international voice interconnects between mobile network operators and international telecom carriers into and out of Africa.

Revenue

Revenue by Segment	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2023	30 Nov 2022	YoY	30 Nov 2023	30 Nov 2022	YoY
	(USDm)	(USDm)	(%)	(USDm)	(USDm)	(%)
Network	349.8	313.3	11.7	119.8	113.2	5.8
C2	70.0	51.1	37.0	24.1	17.3	39.3
Dataport	29.1	28.4	2.5	8.1	9.4	(13.8)
Voice	45.3	51.0	(11.2)	15.3	16.5	(7.3)
Total Revenue	**494.2**	**443.8**	**11.4**	**167.3**	**156.4**	**7.0**

Total revenue in the third quarter was USD 167.3 million (Q3 FY 2022-23: USD 156.4 million), an increase of 7.0% year-on-year, which was driven by the strong performances in C2 and Network and the USD 7.1 million sale of infrastructure related to the ECG project. This was partly offset by the ongoing volume decline in Voice and adverse exchange rate movements. On a geographic basis, South Africa and Zimbabwe were the main contributors to the growth.

In addition to the Voice decline, the impacts of adverse exchange rates continued to drag on reported growth. Excluding the adverse movement in the South African Rand of USD 5.2 million (Q3 FY 2023-24 average rate of 18.84 compared to Q3 FY 2022-23 average rate of 17.70), total Group revenue would have increased by 10.3% in the quarter. Furthermore, excluding the adverse FX movements in the Zambian Kwacha and Kenya Shilling, growth would have been 13.7%.

On a year-to-date basis, total revenue was USD 494.2 million, 11.4% higher year-on-year (Q3 YTD 2022-23: USD 443.8 million) driven by strong performances in Network and C2. Again, on a geographic basis, South Africa and Zimbabwe were the main contributors to the growth.

This was partly offset by the ongoing decline in Voice and adverse exchange rate impacts, notably in South Africa, where the impact of the adverse exchange rate movement on a year-to-date basis amounted to a headwind of USD 23.6 million year-on-year. The adverse impact in Zambia and Kenya over the first nine months of the year totalled USD 11.8 million. Excluding these adverse exchange rate movements, total revenue growth on a year-to date basis would have increased by 19.3% year-on-year.

During the third quarter, in Zimbabwe, we implemented a 100% price increase in November and have received regulatory approvals for further increases in December 2023 and February 2024. These increases will go some way in cushioning the business against local currency depreciation and increasing inflation.

Excluding the Zimbabwean operations, the Voice segment and the adverse exchange rate movement in South Africa, Zambia and Kenya, total revenue growth would have increased by 19.4% on a year-to-date basis.

Network

Network revenue in the third quarter, which includes all intra- and inter-country fibre activity, increased by 5.8% year-on-year to USD 119.8 million, (Q3 FY 2022-23: USD 113.2 million), however, excluding Zimbabwe and the exchange rate impact in South Africa, it increased by 9.9%.

South African Network revenue included the sale of the fibre assets relating to the Eastern Cape Government project of USD 7.1 million. Excluding this sale, revenue was flat on a reported basis but grew strongly on a local currency basis driven by further increased sites and capacity upgrades on the Eastern and Western Cape Government contracts and continued sales of IRUs on the NLD routes to MNOs.

In Rest of Africa, on a reported basis, Network revenue declined 8.1% driven by the adverse exchange rate movements predominantly in Kenya and Zambia, excluding these impacts revenue grew 8.3% driven by dark fibre and IRU deals in the DRC, Zambia and Kenya.

In Zimbabwe, we implemented a 100% price increase in the month of November, which boosted revenue for the quarter by USD 2.8 million.

On a year-to-date basis, Network revenue was USD 349.8 million compared to USD 313.3 million in the same period last year, an increase of 11.7%. This strong growth benefited from the two price increases granted by the Zimbabwean country's telecommunications regulator in the first quarter, further demand for dark fibre and IRU deals from MNOs in the DRC and Kenya, strong local currency growth in South Africa and the sale of the fibre assets relating to the Eastern Cape Government project.

C2

Revenue for C2, which largely comprises our cloud and cyber security offerings as well as other digital services, continued to grow strongly, up 39.3% year-on-year in the third quarter to USD 24.1 million (Q3 FY 2022-23: USD 17.3 million). Growth was driven by the 41.2% year-on-year increase in Cloud seats with particularly strong growth in Rest of World via indirect channels for our application and Azure platforms.

In addition we also experienced good underlying market growth and the benefit from the pass through of USD linked rate increases. There continues to be a strong appetite for our cloud offerings as more businesses continue to move towards integrated cloud solutions across all applications and platforms.

On a year-to-date basis, C2 revenue was USD 70.0 million compared to USD 51.1 million in the same period last year, a 37.0% increase year-on-year.

Dataport

Dataport revenue, covering all our sea-to-land connections, subsea capacity and satellite services, decreased 13.8% year-on-year in the third quarter to USD 8.1 million (Q3 FY 2022-23: USD 9.4 million). The year-on-year decline was largely driven by a strong prior year comparator due to a large contract win during Q3 FY 2023-24, which included a material upfront payment.

On a year-to-date basis, Dataport revenue was USD 29.1 million compared to USD 28.4 million in the same period last year, an 2.5% increase year-on-year, driven by a deal with a US Technology company in the DRC.

Voice

Voice revenue continued to be impacted by global traffic trends away from traditional voice activity, resulting in revenue in the third quarter declining 7.3% year-on-year to USD 15.3 million (Q3 FY 2022-23: USD 16.5 million).

On a year-to-date basis, Voice revenue was USD 45.3 million compared to USD 51.0 million for the same period last year.

Gross Profit

Gross Profit	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2023	30 Nov 2022	YoY	30 Nov 2023	30 Nov 2022	YoY
	(USDm)	(USDm)	(%)	(USDm)	(USDm)	(%)
Revenue	494.2	443.8	11.4	167.3	156.4	7.0
Costs per quarterly financial statements	(138.4)	(125.9)	(9.9)	(49.4)	(45.2)	(9.3)
Gross Profit	**355.8**	**317.9**	**11.9**	**117.9**	**111.2**	**6.0**
Gross Profit Margin (%)	72.0%	71.6%	0.4pp	70.5%	71.1%	-0.6pp

Absolute gross profit in the third quarter was USD 117.9 million (Q3 FY 2022-23: USD 111.2 million) and gross profit margin was 70.5% compared to 71.1% in the prior year driven by an increased mix from the growing C2 segment.

On a year-to-date basis, gross profit was USD 355.8 million (Q3 YTD FY 2022-23: USD 317.9 million) and the gross profit margin was slightly higher year-on-year at 72.0% (Q3 YTD FY 2022-23: 71.6%) as a result of the particularly high contribution from Zimbabwe in the first quarter of the current year.

Total Overheads and Other Income

Total Overheads and Other Income	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2023	30 Nov 2022	YoY	30 Nov 2023	30 Nov 2022	YoY
	(USDm)	(USDm)	(%)	(USDm)	(USDm)	(%)
Other income	3.9	2.3	69.6	1.6	0.8	100.0
Selling, distribution and marketing costs	(8.3)	(7.4)	(12.2)	(3.4)	(2.9)	(17.2)
Expected credit loss provision	(3.5)	(6.1)	42.6	(0.9)	(1.9)	52.6
Administrative costs	(70.1)	(67.8)	(3.4)	(25.2)	(23.9)	(5.4)
Staff costs	(100.8)	(82.5)	(22.2)	(34.7)	(23.5)	(47.7)
Total Overheads and Other income	**(178.8)**	**(161.5)**	**(10.6)**	**(62.6)**	**(51.4)**	**(21.8)**
% to Total Revenue	36.2%	36.4%	0.2pp	37.4%	32.9%	-4.6pp

Total Overheads and Other Income in the third quarter were USD 62.6 million (Q3 FY 2022-23: USD 51.4 million), largely driven by the inflationary pressures on staff costs, particularly in Zimbabwe, which more than offset the exchange rate benefit in South Africa. The expected credit loss provision in the third quarter decreased 52.6% year-on-year due to the increased focus on customer collections, in particular aged debtors in South Africa, Zambia and Zimbabwe.

On a year-to-date basis, Total Overheads and Other Income amounted to USD 178.8 million compared to USD 161.5 million for the same period last year. We continue to be relentlessly focused on cost control and have had some benefit from exchange rate movements, however, this has been more than offset by the inflationary impact on staff costs. Despite this, overheads as a percentage of revenue were broadly flat at 36.2% compared to 36.4% in the same period of the prior year.

Adjusted EBITDA and Profit

Adjusted EBITDA	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2023 (USDm)	30 Nov 2022 (USDm)	YoY (%)	30 Nov 2023 (USDm)	30 Nov 2022 (USDm)	YoY (%)
Adjusted EBITDA	**177.0**	**156.4**	**13.2**	**55.3**	**59.8**	**(7.5)**
Depreciation, impairment and amortisation	(90.0)	(82.8)	(8.7)	(29.0)	(25.7)	(12.8)
Operating Profit	**87.0**	**73.6**	**18.2**	**26.3**	**34.1**	**(22.9)**
Acquisition and other investment costs	(0.1)	(1.2)	91.7	(0.1)	(1.2)	91.7
Fair value gain on derivatives assets	-	0.2	(100.0)	-	-	n/a
Gain on bargain purchase	0.3	-	n/a	-	-	n/a
Interest income	15.8	12.5	26.4	5.2	3.7	40.5
Finance costs	(54.1)	(54.2)	0.2	(17.5)	(17.7)	1.1
Foreign exchange loss	(276.9)	(229.9)	(20.4)	(50.3)	(11.7)	(329.9)
Monetary adjustment - IAS 29	280.4	138.9	101.9	38.6	(24.3)	(258.8)
Profit / (loss) before tax	**52.4**	**(60.1)**	**187.2**	**2.2**	**(17.1)**	**112.9**
Tax (expense) / credit	(39.8)	3.7	(1,175.7)	(13.2)	16.0	(182.5)
Profit / (loss) for the period	**12.6**	**(56.4)**	**122.2**	**(11.0)**	**(1.1)**	**(900.1)**

Adjusted EBITDA in the third quarter was USD 55.3 million, which was slightly lower compared to the prior year (Q3 FY 2022-23: USD 59.8 million) resulting from the higher revenue driven gross profit offset by increased overheads, as detailed above.

On a year-to-date basis, adjusted EBITDA was USD 177.0 million compared to USD 156.4 million for the same period last year, an increase of 13.2% and largely reflecting the stronger contribution from South Africa.

Depreciation, impairment and amortisation costs in in the third quarter were slightly higher year-on-year at USD 29.0 million (Q3 FY 2022-23: USD 25.7 million) resulting from a higher asset base due to the build out of the network, partly offset by weaker exchange rates.

Finance costs of USD 17.5 million in the third quarter were broadly in line with the prior periods and reflected the interest on the Bond and Revolving Credit Facility (“RCF”), the amortising ZAR term loan, local debt in Zambia and leases.

The foreign exchange loss in the third quarter of USD 50.3 million (Q3 FY 2022-23: USD 11.7 million) was mainly driven by the South African and Zimbabwe exchange rate movements. The ZWL$:USD closing exchange rate was 5,791.1:1 (Q3 FY 2022-23: ZWL$:USD 654.9:1). CPI in Zimbabwe for the period was 99,838.59 (Q3 FY 2022-23: 13,349.42) which resulted in a monetary adjustment of USD 38.6 million (Q3 FY 2022-23: negative USD 24.3 million) for the third quarter and resulted in a net loss after tax for the third quarter of USD 11.0 million (Q3 FY 2022-23: net loss after tax USD 1.1 million).

Cash generated from operations

Cash Flows	For the nine-month period ended:			For the three-month period ended:		
	30 Nov 2023 (USDm)	30 Nov 2022 (USDm)	YoY (%)	30 Nov 2023 (USDm)	30 Nov 2022 (USDm)	YoY (%)
Cash generated from operations	**137.7**	**155.8**	(11.6)	**51.5**	**45.8**	12.4
Tax paid	(28.1)	(21.4)	(31.3)	(12.3)	(8.5)	(44.7)
Net cash generated from operating activities	**109.6**	**134.4**	**(18.5)**	**39.2**	**37.3**	**5.1**
Net cash used in investing activities	(37.7)	(74.1)	49.1	(1.7)	(27.2)	93.8
Net cash used in financing activities	(77.8)	(92.0)	15.4	(39.4)	(32.0)	(23.1)
Net decrease in cash and cash equivalents	**(5.9)**	**(31.7)**	**81.4**	**(1.9)**	**(21.9)**	**91.3**

Cash generated from operations in the third quarter improved year-on-year to USD 51.5 million (Q3 FY 2022-23: USD 45.8 million) largely due to a smaller working capital outflow in the third quarter compared to the prior year. The current year outflow resulted from increased prepayments, largely in Zimbabwe to mitigate currency devaluation, this was partly offset by improved collections in all our key markets.

The increase in tax paid in the third quarter was driven by the higher contribution from Zimbabwe as described above.

Net cash used in investing activities reduced by 93.8% year-on-year in the third quarter to USD 1.7 million (Q3 FY 2022-23: USD 27.2 million) offset by a large disposal of the Eastern Cape Government project assets of USD 14.6 million, capex for which had largely been incurred in the first half of FY 2023-24. The cash spent on investing activities in the year was largely on network infrastructure, maintenance and customer connections in the DRC, Kenya and South Africa.

Cash used in financing activities for the third quarter was USD 39.4 million, compared to cash used of USD 32.0 million in the prior year, driven by a USD 3.0 million repayment of the USD 30.0 million drawdown of the RCF, the Bond interest, ZAR Term loan interest and higher capital repayments and leases.

On a year-to-date basis, cash generated from operations was USD 137.7 million (Q3 YTD FY 2022-23: USD 155.8 million), a decline of 11.6%, largely due to the improved adjusted EBITDA offset by the changes in working capital as described above.

Net cash used in investing activities for the first nine months was 49.1% lower than the prior year due to reduced spend on our network build in the DRC as this activity winds down and we focus on monetising our existing infrastructure. The prior year also included the one-off payment for spectrum in South Africa of approximately USD 7 million.

Interest, lease and debt payments on year-to-date basis totalled USD 77.8 million (Q3 YTD FY 2022-23: USD 92.0 million), lower due to the RCF net drawdown of USD 27.0 million, excluding this, net cash used in financing activities was higher than the prior year by USD 12.8 million as a result of increased leases in South Africa as we move to a partnership model rather than own build model.

Capital investment and network developments

Capital expenditure in the third quarter of FY 2023-24 decreased 71.8% year-on-year to USD 7.8 million (Q3 FY 2022-23: USD 27.7 million), however, this included the capital expenditure related to the Eastern Cape Government project that was disposed of (USD 14.6 million), capex for which had largely been incurred in the first half of FY 2023-24.

As the build of our network is largely complete, a far greater share of the investment compared to the prior year was focused on customer connections including in the DRC, Kenya and investment in NLD in South Africa, including on the Eastern and Western Capes.

Gross and Net Debt

Gross and Net Debt	As at 30 Nov 2023 (USDm)
Gross Debt	**919.2**
Long term borrowings (incl interest accrued)	761.0
Short term portion of long-term borrowings (incl interest accrued)	43.6
Unamortised arrangement fees	9.6
Leases - LT	81.9
Leases - ST	23.1
Less: Unrestricted cash	**(57.6)**
Net Debt	**861.6**
Last twelve months Adjusted EBITDA	258.5
Last twelve months interest	75.2
Covenants:	
Gross Debt / LTM EBITDA (x)	3.56
Net Debt / LTM EBITDA (x)	3.33
Interest / LTM EBITDA (x)	3.44
Debt Service Cover Ratio (DSCR)	2.58

Unrestricted cash at the end of the third quarter was USD 57.6 million (FY 2022-23: USD 88.4 million), of this, USD 12.4 million was held in Zimbabwe (FY 2022-23: USD 28.3 million). We continue to ensure that we have sufficient liquidity with a strong focus on working capital management. The reduction in cash held in Zimbabwe was primarily due to the adverse exchange rate movement.

Gross debt was USD 919.2 million at the end of the third quarter, lower compared to FY 2022-23 year end (USD 943.5 million) largely due to exchange rate movements and the amortisation of the term loan in South Africa.

Considering the above cash position, net debt at the end of the third quarter was USD 861.6 million, giving a net debt to adjusted EBITDA ratio of 3.33x, compared to the 4.00x covenant threshold and 3.59x at the end of FY 2022-23.

Strive Masiyiwa	Hardy Pemhiwa	Eric Thompson
Group Chairman	Group Chief Executive Officer	Group Chief Finance Officer

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED

(trading as)

LIQUID INTELLIGENT TECHNOLOGIES

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE 9 MONTHS AND 3 MONTHS ENDED

30 NOVEMBER 2023

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the 9 months and 3 months ended 30 November 2023

	Notes	9 months ended 30/11/2023 USD'000 (Unaudited)	9 months ended 30/11/2022 USD'000 (Unaudited)	3 months ended 30/11/2023 USD'000 (Unaudited)	3 months ended 30/11/2022 USD'000 (Unaudited)
Revenue	3	494,245	443,812	167,255	156,350
Interconnect related costs		(33,941)	(34,082)	(11,834)	(11,607)
Data and network related costs		(130,730)	(118,762)	(46,598)	(43,664)
Net other income	4	3,845	2,274	1,557	825
Selling, distribution and marketing costs		(8,325)	(7,366)	(3,414)	(2,948)
Expected credit loss provision		(3,546)	(6,112)	(855)	(1,877)
Administrative expenses		(43,817)	(40,889)	(16,126)	(13,838)
Staff costs		(100,771)	(82,457)	(34,668)	(23,479)
Depreciation, impairment and amortisation		(89,987)	(82,793)	(29,015)	(25,656)
Operating profit		**86,973**	**73,625**	**26,302**	**34,106**
Dividend received		44	-	-	-
Acquisition and other investment costs		(106)	(1,247)	(60)	(1,247)
Fair value gain on derivatives assets		-	163	-	-
Gain on bargain purchase	27	272	-	-	-
Interest income	5	15,818	12,458	5,164	3,699
Finance costs	6	(54,053)	(54,223)	(17,499)	(17,726)
Foreign exchange loss	2.2	(276,868)	(229,909)	(50,338)	(11,627)
Hyperinflation monetary gain / (loss)	2.2	280,360	138,902	38,640	(24,348)
Share of profits of associate		12	13	4	5
Profit / (loss) before taxation		**52,452**	**(60,218)**	**2,213**	**(17,138)**
Tax (expense) / credit	7	(39,831)	3,735	(13,188)	15,989
Profit / (loss) for the period		**12,621**	**(56,483)**	**(10,975)**	**(1,149)**
Other comprehensive (loss) / income					
Items that may be reclassified subsequently to profit or loss:					
Translation (loss) / gain on accounting for foreign entities		(1,330)	(195,352)	3,448	(2,352)
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting	2.2.2	(44,244)	21,484	728	(5,728)
Items that will not be reclassified subsequently to profit or loss:					
Fair value gain / (loss) on investments in equity instruments designated as FVTOCI	22	1,543	-	(933)	-
Total other comprehensive (loss) / income		(44,031)	(173,868)	3,243	(8,080)
Total comprehensive loss		**(31,410)**	**(230,351)**	**(7,732)**	**(9,229)**
Profit / (loss) attributable to:					
Owners of the company		13,021	(56,174)	(10,912)	(781)
Non-controlling interest		(400)	(309)	(63)	(368)
		12,621	**(56,483)**	**(10,975)**	**(1,149)**
Total comprehensive loss attributable to:					
Owners of the company		(30,847)	(229,900)	(7,616)	(8,783)
Non-controlling interest		(563)	(451)	(116)	(446)
		(31,410)	**(230,351)**	**(7,732)**	**(9,229)**
Earnings / (loss) per share					
Basic (Cents per share)	24	10.43	(44.99)	(8.74)	(0.63)

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 November 2023

	Notes	30/11/2023 USD'000 (Unaudited)	28/02/2023 USD'000 (Audited)
Non-current assets			
Goodwill	8	75,247	76,576
Intangible assets	9	60,789	64,214
Property, plant and equipment	10	480,946	526,043
Right-of-Use assets	11	214,308	221,319
Investment in associate		543	543
Investments at Fair Value Through Other Comprehensive Income (FVTOCI)	22	17,414	15,314
Deferred tax assets		41,176	48,388
Investments at amortised cost		41	45
Long-term receivables from related parties	18	149,443	133,236
Pre-commencement lease payments		9,365	8,464
Total non-current assets		**1,049,272**	**1,094,142**
Current assets			
Inventories		46,951	27,341
Trade and other receivables	13	244,124	246,927
Taxation		3,187	3,098
Assets held for sale		7,087	-
Cash and cash equivalents	12	57,582	88,393
Restricted cash and cash equivalents	12	427	425
Total current assets		**359,358**	**366,184**
Total assets		**1,408,630**	**1,460,326**
Equity and liabilities			
Capital and reserves			
Share capital		3,716	3,716
Share premium		276,714	276,714
Convertible preference shares		180,000	180,000
Investment revaluation reserve		1,054	-
Accumulated losses		(50,588)	(64,098)
Foreign currency translation reserve		(262,976)	(217,565)
Total equity attributable to owners of the parent		**147,920**	**178,767**
Non-controlling interests		223	1,146
Total equity		**148,143**	**179,913**
Non-current liabilities			
Long-term borrowings	14	762,943	763,373
Long-term lease liabilities	15	81,860	103,661
Long-term provisions		6,587	7,194
Deferred revenue	17	56,156	65,553
Deferred tax liabilities		14,200	15,986
Total non-current liabilities		**921,746**	**955,767**
Current liabilities			
Short-term portion of long-term borrowings	14	43,627	34,687
Short-term portion of long-term lease liabilities	15	23,145	31,342
Trade and other payables	16	183,395	190,304
Short-term provisions		33,060	23,679
Deferred revenue	17	46,767	33,806
Taxation		8,747	10,828
Total current liabilities		**338,741**	**324,646**
Total equity and liabilities		**1,408,630**	**1,460,326**

Approved by the Board of Directors and authorised for issue on 24 January 2024

Eric Venpin

Eric Venpin
Director

Mike Mootien
Director

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTHS ENDED 30 NOVEMBER 2023

	Notes	Share capital	Share premium	Convertible preference shares	Investment revaluation reserve	Foreign currency translation reserve	Retained earnings / (Accumulated losses)	Non-controlling interest	Total equity
		USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 March 2022 (Audited)		**3,716**	**276,714**	**180,000**	**-**	**(12,912)**	**23,151**	**2,522**	**473,191**
Dividend	21	-	-	-	-	-	-	(441)	(441)
Loss and total comprehensive loss for the year		-	-	-	-	(173,726)	(56,174)	(451)	(230,351)
Loss for the period		-	-	-	-	-	(56,174)	(309)	(56,483)
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting		-	-	-	-	21,484	-	-	21,484
Translation loss on accounting for foreign entities		-	-	-	-	(195,210)	-	(142)	(195,352)
At 30 November 2022 (Unaudited)		**3,716**	**276,714**	**180,000**	**-**	**(186,638)**	**(33,023)**	**1,630**	**242,399**
At 01 March 2023 (Audited)		**3,716**	**276,714**	**180,000**	**-**	**(217,565)**	**(64,098)**	**1,146**	**179,913**
Dividend	21	-	-	-	-	-	-	(360)	(360)
Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated as at FVTOCI		-	-	-	(489)	-	489	-	-
Profit / (loss) and total comprehensive income / (loss) for the year		-	-	-	1,543	(45,411)	13,021	(563)	(31,410)
Profit / (loss) for the period		-	-	-	-	-	13,021	(400)	12,621
Fair value gain on investments in equity instruments designated as FVTOCI	22	-	-	-	1,543	-	-	-	1,543
Impact of foreign exchange on opening balance adjustment under hyperinflation accounting		-	-	-	-	(44,244)	-	-	(44,244)
Translation loss on accounting for foreign entities		-	-	-	-	(1,167)	-	(163)	(1,330)
At 30 November 2023 (Unaudited)		**3,716**	**276,714**	**180,000**	**1,054**	**(262,976)**	**(50,588)**	**223**	**148,143**

LIQUID TELECOMMUNICATIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the 9 months and 3 months ended 30 November 2023

	Notes	9 months ended 30/11/2023 USD'000 (Unaudited)	9 months ended 30/11/2022 USD'000 (Unaudited)	3 months ended 30/11/2023 USD'000 (Unaudited)	3 months ended 30/11/2022 USD'000 (Unaudited)
Cash flows from operating activities:					
Profit / (loss) before tax		52,452	(60,218)	2,213	(17,138)
Adjustments for:					
Depreciation, impairment and amortisation		89,987	82,793	29,015	25,655
Dividend received		(44)	-	-	-
Expected credit loss provision / (reversal)		543	3,403	(185)	(731)
Fair value gain on derivatives assets		-	(163)	-	-
Increase / (decrease) in provisions		10,209	352	5,573	(494)
Foreign exchange loss		274,579	228,213	49,179	9,569
Hyperinflation monetary (gain) / loss		(280,360)	(138,902)	(38,640)	24,348
(Profit) / loss on property, plant and equipment		(434)	524	(425)	(41)
Interest income	5	(15,818)	(12,458)	(5,164)	(3,699)
Finance costs	6	54,053	54,223	17,499	17,726
Gain on bargain purchase	27	(272)	-	-	-
Share of profit from associate		(12)	(13)	(4)	(5)
		184,883	157,754	59,061	55,190
Working capital changes:					
Increase in inventories		(25,096)	(6,941)	(25,361)	(3,988)
(Increase) / decrease in trade and other receivables		(34,457)	(100,435)	29,259	(59,814)
Increase / (decrease) in trade and other payables		1,764	90,890	(12,507)	41,252
Increase in deferred revenue		10,603	14,483	1,060	13,162
Cash generated from operations		137,697	155,751	51,512	45,802
Income tax paid		(28,107)	(21,389)	(12,324)	(8,506)
Net cash generated from operating activities		109,590	134,362	39,188	37,296
Cash flows from investing activities:					
Interest income		1,608	12,458	565	3,699
Dividend received		44	-	-	-
Net cash inflow on acquisition of subsidiary	27	148	-	-	-
Purchase of investment at FVTOCI	22 (i)	(2,365)	(44)	(557)	(44)
Disposal of investment at FVTOCI	22 (i)	1,808	-	83	-
Purchase of property, plant and equipment		(39,760)	(64,270)	(5,927)	(25,462)
Proceeds on disposal of property, plant and equipment		18,055	2,919	17,194	86
Purchase of intangible assets	9	(5,033)	(11,431)	(1,774)	(734)
Proceeds on disposal of intangible assets		-	128	-	128
Pre-commencement lease payments		(901)	(2,370)	(68)	(1,520)
Increase in long-term receivables from related parties		(11,338)	(11,487)	(11,338)	(3,330)
Net cash used in investing activities		(37,734)	(74,097)	(1,658)	(27,177)
Cash flows from financing activities:					
Dividend paid		(360)	(441)	-	(441)
Finance costs paid		(51,855)	(53,025)	(23,515)	(23,110)
Decrease in lease liabilities		(44,348)	(29,738)	(12,247)	(7,686)
Increase / (decrease) in borrowings		18,753	(8,806)	(3,650)	(774)
Net cash used in financing activities		(77,810)	(92,010)	(39,412)	(32,011)
Net decrease in cash and cash equivalents		(5,954)	(31,745)	(1,882)	(21,892)
Cash and cash equivalents at beginning of the period		88,818	163,643	60,519	86,229
Translation of cash with respect to foreign subsidiaries		(24,855)	(69,629)	(628)	(2,068)
Cash and cash equivalents at end of the period	12	**58,009**	**62,269**	**58,009**	**62,269**
Represented by:					
Cash and cash equivalents	12	57,582	60,701	57,582	60,701
Restricted cash and cash equivalents	12	427	1,568	427	1,568
		58,009	**62,269**	**58,009**	**62,269**

1. General information

Liquid Telecommunications Holdings Limited (trading as Liquid Intelligent Technologies), is a private company incorporated in Mauritius on the 26 January 2007 and is the holder of a Category 2 – Global Business Licence Company as from 29 January 2007, which was converted to a Global Business Company licence on 30 June 2021. Its registered office is situated at 10th floor, Standard Chartered Tower, 19-21 Bank Street, Cybercity, Ebene, Mauritius. The company's main activity is to carry on the business of a holding company in respect of subsidiary companies across Africa and certain other countries across the rest of the world, whilst the group's business is to develop a global telecommunications and technology business with a focus on Africa. This has remained unchanged since the prior year.

These consolidated interim financial statements are presented in United States Dollars (USD) as this is the currency in which the majority of the group's transactions are denominated. The functional currencies of the subsidiaries are: United States Dollars, Mauritian Rupee, South African Rand, Pound Sterling, Zambian Kwacha, Kenyan Shilling, Ugandan Shilling, Rwandan Franc, Botswana Pula, Nigerian Naira, Tanzanian Shilling, United Arab Emirates Dirham, Egyptian Pound and Zimbabwean dollar (ZWL$, equivalent to the Real Time Gross Settlement - "RTGS").

Impact of global events

On 24 February 2022, Russia invaded Ukraine in an internationally condemned act of aggression. This conflict is ongoing with a devastating impact on human life in the region. Globally, along with the widening sanctions against Russia, the conflict has had a direct impact on the energy sector, with increasing fuel prices and a general instability in the financial markets. This has led to higher costs for energy suppliers, product manufacturers and transportation services. The group has also been monitoring the impact of global inflationary pressures, interest rate increases, load shedding and other power challenges and has incorporated these effects into its forward looking plans, where possible.

2. Accounting policies

Basis of preparation

The condensed consolidated interim financial statements for the 9 months ended 30 November 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

2.1 Going concern

The directors have reviewed the consolidated cash flow projections of the group and company for the twelve months from the date of signing of the consolidated interim financial statements. Taking into account the available cash position as of 30 November 2023, including the impact of the currency changes in Zimbabwe and South Africa, the cash flow projections for the period (which include discretionary capital expenditure), the repayment of existing obligations and undrawn committed loan funding, and the provision of financial support to subsidiaries where necessary, the directors are satisfied that the group has access to adequate cash resources to settle obligations as they fall due. They also consider that the operations provide sufficient financial sustainability to enable the business to continue in existence for the foreseeable future.

In making their assessment, the directors have considered the potential impact of the instability of financial markets, volatility of currency markets particularly the South African Rand, the economic situation in Zimbabwe, inability of customers to pay and supply chain shortages on the operations, business plan and cashflow for the twelve months from the date of signing of the consolidated interim financial statements.

The going concern assumption is supported by the following key considerations:

<u>Funding facilities</u>

The group is currently funded by a combination of equity, USD 620 million Senior Secured Notes (maturity September 2026), a USD 60 million Revolving Credit Facility ("RCF") (maturity March 2026), of which USD 33 million is undrawn at 30 November 2023, a USD 220 million equivalent South African Rand term loan (maturity March 2026), of which USD 154.5 million is outstanding at 30 November 2023 and USD 23.3 million of locally provided term loans (maturity in the financial year 2025) in Zambia, of which USD 2.3 million is outstanding at 30 November 2023. Taking this into account, alongside the other reviews conducted as set out in this section, the directors consider the group has sufficient liquidity to meet its obligations as and when they fall due and forecast this position to continue. Refer to note 14 - *Long-term borrowings and short term portion of long-term borrowings* for more details.

<u>Cash position</u>

As at 30 November 2023, the group has an unrestricted cash position of USD 57.6 million (28 February 2023: USD 88.4 million). Of this amount, USD 12.4 million (28 February 2023: USD 28.3 million) is held in Zimbabwe. Following the continuing devaluation of the currency in Zimbabwe, the group has translated the ZWL$ denominated cash in Zimbabwe at the statement of financial position date at a ZWL$:USD exchange rate of 5,791.1:1 (28 February 2023: ZWL$:USD of 892.6:1). Cash held in Zimbabwe is used to locally fund operational expenses and capital expenditure.

<u>Operational performance</u>

For the period ended 30 November 2023, the group reported an operating profit of USD 87.0 million (30 November 2022: 73.6 million) and a net cash inflow from operating activities of USD 109.6 million (30 November 2022: USD 134.4 million). This demonstrates the group's ability to generate sufficient cash flow to enable it to support its underlying business operations and invest in new projects, even after taking into account the impact of the currency devaluation in Zimbabwe.

Based on the assessment made and for the reasons set out above, the directors are of the opinion that the adoption of the going concern assumption in the preparation of the condensed interim financial statements for the period ended 30 November 2023 is appropriate.

2.2 Zimbabwean currency and hyperinflation accounting

Following changes to the currency in Zimbabwe in February 2019, the economic conditions are now those of a hyperinflationary environment. As a result, local accounting bodies have determined that the principles of IAS 29 - Financial Reporting in Hyperinflationary Economies should be applied. The group has continued the application of hyperinflation accounting during the period ended 30 November 2023, with effect from 1 October 2018 for its Zimbabwean subsidiaries.

More details on the currency changes and the adoption of hyperinflation accounting are set out in notes 2.2.1 and 2.2.2 below.

2. Accounting policies (continued)

2.2 Zimbabwean currency and hyperinflation accounting (continued)

2.2.1 Zimbabwean currency

On 1 October 2018, the Reserve Bank of Zimbabwe (RBZ) directed all banks to ring-fence nostro foreign currency accounts (FCAs) by separating them into two categories; namely Nostro FCAs and RTGS FCAs. Authorities maintained that the US dollar represented in the RTGS system was at a 1:1 exchange ratio. On 20 February 2019, the RBZ announced that with effect from 22 February 2019, the RTGS would be recognised as an official currency and that an interbank foreign exchange market would be established to formalise trading in RTGS balances with other currencies. The official rate of RTGS:USD on launch was 2.5. The Zimbabwean currency is now denominated as the Zimbabwean Dollar (ZWL$).

During the period ended 30 November 2023, there has been further movement in the ZWL$:USD rate and the group has used a rate of ZWL$:USD 5,791.1:1 (28 February 2023: ZWL$:USD 892.6:1) to translate both the statement of profit or loss and the statement of financial position at 30 November 2023. Of the USD 276.9 million (30 November 2022: USD 229.9 million) of net foreign exchange loss in the consolidated statement of profit and loss, Zimbabwe contributed USD 248.3 million (30 November 2022: USD 229.3 million). The net foreign exchange loss arises mainly on the retranslation of USD denominated intra-group debt at the statement of financial position date.

2.2.2 Hyperinflation accounting

Local economic conditions in Zimbabwe have continued to react to the deterioration in the ZWL$:USD exchange rate. Over the course of the financial year ended 29 February 2020, the group observed that the conditions in Zimbabwe were indicative of a hyperinflationary economy. This was confirmed in a statement released on 11 October 2019 by the Public Accountants and Auditors Board ("PAAB"), which is mandated to regulate Auditing and Accounting standards in Zimbabwe. The PAAB advised that following broad market consensus within the Accounting and Auditing professions, the factors and characteristics to apply the financial reporting in IAS 29 - *Financial Reporting in Hyperinflationary Economies* in Zimbabwe had been met. Furthermore, the International Practices Task Force (“IPTF”) of the Centre of Audit Quality (“CAQ”) monitors inflation in certain countries and reported Zimbabwe’s three-year cumulative inflation rate as exceeding 100% in its previous reports and the latest report being 10 May 2023.

Based on these reports, the group has concluded that hyperinflation accounting is applicable to accounting periods ended on or after 1 July 2019. The group has applied hyperinflation accounting to all periods presented in these financial statements, effective from 1 October 2018. The adjustment for the impact of foreign exchange on opening balance under hyperinflation accounting of the Zimbabwe entities at 1 March 2023 resulted in a foreign exchange loss of USD 44.2 million (1 March 2022: gain of USD 27.2 million) has been recognised directly in other comprehensive income, in accordance to IAS 21 - *The Effects of Changes in Foreign Exchange Rates.*

The application of hyperinflationary accounting results in certain assets, liabilities, revenues and costs being reported in inflation adjusted terms as at 30 November 2023.

The retranslation of balances in accordance with IAS 29 requires the use of a general price index (“GPI”) that reflects changes in general purchasing power. Following the introduction of new regulations by the Zimbabwean government in March 2023, the official published Zimbabwe Consumer Price Index (“CPI”) as the GPI was discontinued with the last publication in January 2023.

IAS 29 allows for an entity to estimate a GPI for use in its financial statements in the absence of an official GPI and suggests the use of the movements in the exchange rates between the local functional currency (ZWL$) and a more stable currency (USD). In calculating the GPI, the group has used the movement in the ZWL$:USD exchange rate between October 2023 and November 2023. The ZWL$:USD exchange rate moved by 2.02% between October 2023 and November 2023 to close at 5,791.1. Accordingly, the group applied a 1.62% growth on the October 2023 CPI of 98,250.41 to determine the November 2023 closing CPI. Therefore, the closing CPI for November 2023 is 99,838.59.

The gains on the net monetary position of USD 280.4 million (30 November 2022: USD 138.9 million) have been recognised in the consolidated statement of profit or loss through 'Hyperinflation monetary gain' based on the abovementioned CPI for November 2023 (30 November 2022: 13,349.42.).

In addition, IAS 29 requires the translation of the results at closing rate rather than average rate. The closing rate of ZWL$:USD 5,791.1:1 (28 February 2023: ZWL$:USD 892.6:1) has been used.

The directors continue to monitor the economic conditions in Zimbabwe.

2.3 Accounting policies

The accounting policies applied by the group in the preparation of the condensed interim consolidated financial statements presented are in accordance with IFRS and are consistent with those applied by the group in the preparation of the consolidated financial statements for the year ended 28 February 2023.

2.4 Critical accounting judgements and key sources of estimation uncertainty

The significant accounting judgements and critical estimates applied by the group in the preparation of these condensed consolidated interim financial statements presented are in accordance with IFRS and are consistent with those applied by the group in the preparation of the consolidated financial statements for the year ended 28 February 2023. In addition, the following significant accounting judgements and critical estimates have also been made:

Key judgements

Revenue Recognition

Management enters into contracts with customers from time to time that include unique contractual terms and other elements that fall outside of the group's general contract terms and conditions. A key judgement is whether these bespoke contracts have an embedded lease, and should be accounted for under IFRS 16 – *Leases* rather than IFRS 15 – *Revenue from Contracts with Customers,* given that some of these contracts provide for the right of use over specifically identified fibre line channels, rather than capacity. The directors considered the detailed criteria for the recognition of revenue, and are satisfied that the accounting treatment is appropriate in the current year.

Contingent liabilities

Management applies its judgement to the fact patterns and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. This judgement application is used to determine if the obligation is recognised as a liability or provision or disclosed as a contingent liability. Refer to note 25 for *Contingent liabilities* disclosure.

2. Accounting policies (continued)

2.4 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key estimates

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which the goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value of the recoverable amount.

Hyperinflation accounting

The restatement of balances in accordance with IAS 29 - *Financial Reporting in Hyperinflationary Economies* requires the use of a general price index ("GPI") that reflects changes in general purchasing power. Following the introduction of new regulations by the Zimbabwean government in March 2023, the official published Zimbabwe Consumer Price Index ("CPI") as the GPI was discontinued with the last publication in January 2023.

IAS 29 allows for an entity to estimate a GPI for use in its financial statements in the absence of an official GPI and suggests the use of the movements in the exchange rates between the local functional currency (ZWL$) and a more stable currency (USD). In calculating the GPI, the group has used the movement in the ZWL$:USD exchange rate between October 2023 and November 2023. The ZWL$:USD exchange rate moved by 2.02% between October 2023 and November 2023 to close at 5,791.1. Accordingly, the group applied a 1.62% growth on the October 2023 CPI of 98,250.41 to determine the November 2023 closing CPI. Therefore, the closing CPI for November 2023 is 99,838.59.

For more information on the Zimbabwean currency and hyperinflation accounting, see note 2.2.

3. Segment information

The group's operating and reportable segments are based on geographical areas. The group's core business is situated within Africa and management has aggregated African countries where the individual country revenue, profit/loss before tax and assets fall below 10% of group total (Rest of Africa). The group also has other operations based outside of Africa which have been aggregated into a separate segment (Rest of the World).

The group categorises its revenue streams as shown below:

- Network - primarily revenue from long haul, metro networks and roaming services;
- C2 - primarily revenue from cloud services, managed services and cybersecurity services;
- Dataport - primarily revenue from undersea assets, international wholesale, international enterprise and VSAT; and
- Voice traffic - primarily revenue from international voice interconnects between mobile network operators and international telecom carriers.

The measure of reporting profit for each operating segment, which also represents the basis on which the Chief Operating Decision Maker reviews segment results, is Adjusted EBITDA.

Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, amortisation, and impairment, and is also presented before recognising the following items:

- Gain on bargain purchase
- Acquisition and other investment costs
- Fair value gain on derivatives assets
- Net foreign exchange loss
- Hyperinflation monetary gain (see note 2.2.2)
- Share of profits of associate

A reconciliation of Operating profit, as shown in the consolidated statement of profit or loss, to Adjusted EBITDA (see above) is shown in note 26.1 - *Reconciliation.*

3. Segment information (continued)

The following is an analysis of the group's revenue and results by reportable segment for the 9 months ended 30 November 2023 (Unaudited).

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Central Administration Costs*	Eliminations	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	124,645	114,103	95,850	59,224	-	(44,051)	349,771
C2	37,914	10,589	12,972	22,794	-	(14,217)	70,052
Dataport	5,798	2,202	10,594	18,785	-	(8,233)	29,146
Voice traffic	5,397	52	17	40,859	-	(1,049)	45,276
Inter-segmental revenue	(6,546)	(794)	(4,229)	(55,981)	-	67,550	-
Group External Revenue	**167,208**	**126,152**	**115,204**	**85,681**	**-**	**-**	**494,245**
Adjusted EBITDA	58,835	61,268	29,023	48,983	(18,823)	(2,282)	177,004
Depreciation, impairment and amortisation							(89,987)
Acquisition and other investment costs							(106)
Gain on bargain purchase							272
Interest income							15,818
Finance costs							(54,053)
Foreign exchange loss							(276,868)
Hyperinflation monetary gain							280,360
Share of profits of associate							12
Profit before taxation							**52,452**
Tax expense							(39,831)
Profit for the period							**12,621**

The following is an analysis of the group's revenue and results by reportable segment for the 9 months ended 30 November 2022 (Unaudited).

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Central Administration Costs*	Eliminations	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	120,105	83,223	92,972	62,351	-	(45,326)	313,325
C2	30,793	8,176	7,734	13,982	-	(9,568)	51,117
Dataport	5,810	1,939	9,817	21,020	-	(10,171)	28,415
Voice traffic	6,943	48	57	45,054	-	(1,147)	50,955
Inter-segmental revenue	(5,833)	(643)	(5,819)	(53,917)	-	66,212	-
Group External Revenue	**157,818**	**92,743**	**104,761**	**88,490**	**-**	**-**	**443,812**
Adjusted EBITDA	49,443	45,716	26,721	56,392	(13,772)	(8,082)	156,418
Depreciation, impairment and amortisation							(82,793)
Acquisition and other investment costs							(1,247)
Fair value gain on derivatives assets							163
Interest income							12,458
Finance costs							(54,223)
Foreign exchange loss							(229,909)
Hyperinflation monetary gain							138,902
Share of profits of associate							13
Loss before taxation							**(60,218)**
Tax credit							3,735
Loss for the period							**(56,483)**

*Central administration costs include certain staff and other stewardship costs not allocated to other business lines.

3. Segment information (continued)

The following is an analysis of the group's revenue and results by reportable segment for the 3 months ended 30 November 2023 (Unaudited).

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Central Administration Costs*	Eliminations	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	49,152	37,340	29,661	18,648	-	(14,960)	119,841
C2	13,500	3,168	4,764	7,584	-	(4,961)	24,055
Dataport	1,719	613	2,421	6,053	-	(2,771)	8,035
Voice traffic	1,757	9	5	13,802	-	(249)	15,324
Inter-segmental revenue	(2,410)	(291)	(1,388)	(18,852)	-	22,941	-
Group External Revenue	**63,718**	**40,839**	**35,463**	**27,235**	**-**	**-**	**167,255**
Adjusted EBITDA	22,965	17,935	7,370	14,032	(8,478)	1,493	55,317
Depreciation, impairment and amortisation							(29,015)
Acquisition and other investment costs							(60)
Interest income							5,164
Finance costs							(17,499)
Foreign exchange loss							(50,338)
Hyperinflation monetary gain							38,640
Share of profits of associate							4
Profit before taxation							**2,213**
Tax expense							(13,188)
Loss for the period							**(10,975)**

The following is an analysis of the group's revenue and results by reportable segment for the 3 months ended 30 November 2022 (Unaudited).

	South Africa	Zimbabwe	Rest of Africa	Rest of the World	Central Administration Costs*	Eliminations	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Network	39,731	34,056	32,279	22,820	-	(15,742)	113,144
C2	10,479	2,394	2,627	5,057	-	(3,304)	17,253
Dataport	2,454	561	3,148	6,744	-	(3,468)	9,439
Voice traffic	3,049	8	4	13,798	-	(345)	16,514
Inter-segmental revenue	(1,975)	(291)	(1,808)	(18,785)	-	22,859	-
Group External Revenue	**53,738**	**36,728**	**36,250**	**29,634**	**-**	**-**	**156,350**
Adjusted EBITDA	15,367	21,858	10,833	19,912	(4,150)	(4,058)	59,762
Depreciation, impairment and amortisation							(25,656)
Acquisition and other investment costs							(1,247)
Interest income							3,699
Finance costs							(17,726)
Foreign exchange loss							(11,627)
Hyperinflation monetary gain							(24,348)
Share of profits of associate							5
Loss before taxation							**(17,138)**
Tax credit							15,989
Loss for the period							**(1,149)**

*Central administration costs include certain staff and other stewardship costs not allocated to other business lines.

4. Net other income

	9 months ended		3 months ended	
	30/11/2023	30/11/2022	30/11/2023	30/11/2022
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Management fees income (note 18)	2,815	1,903	885	675
Sundry income (non-operating income that does not meet the recognition criteria of revenue under IFRS 15)	596	895	247	109
Profit / (loss) on disposal of property, plant and equipment	434	(524)	425	41
	3,845	**2,274**	**1,557**	**825**

5. Interest income

	9 months ended		3 months ended	
	30/11/2023	30/11/2022	30/11/2023	30/11/2022
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest received - bank / external	1,608	868	565	219
Interest received - inter-group (note 18)	14,210	11,590	4,599	3,480
	15,818	**12,458**	**5,164**	**3,699**

6. Finance costs

	9 months ended		3 months ended	
	30/11/2023	30/11/2022	30/11/2023	30/11/2022
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest on bank overdraft and loans	17,185	19,775	5,602	6,217
Finance cost on Senior Secured Notes	25,575	25,575	8,525	8,525
Finance arrangement fees amortised	2,712	2,757	902	914
Interest on lease liabilities	8,334	5,970	2,386	2,007
Interest paid - inter-group (note 18)	247	146	84	63
	54,053	**54,223**	**17,499**	**17,726**

7. Taxation

	9 months ended		3 months ended	
	30/11/2023	30/11/2022	30/11/2023	30/11/2022
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current taxation	23,367	20,062	9,846	(316)
Deferred taxation charge / (credit)	9,867	(30,040)	1,781	(17,514)
Withholding taxation	6,597	6,243	1,561	1,841
	39,831	**(3,735)**	**13,188**	**(15,989)**

	9 months ended		3 months ended	
	30/11/2023	30/11/2022	30/11/2023	30/11/2022
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit / (loss) before taxation	52,452	(60,218)	2,213	(17,138)
Taxation at domestic rate for foreign subsidiaries in tax paying jurisdictions	(10,617)	(15,165)	(10,542)	(3,256)
Tax effect of non-deductible expenses	96,877	36,435	29,234	(15,577)
Tax effect of non-taxable income	-	(102)	-	2,781
Tax effect of foreign tax credit	(1,046)	-	970	244
Effect of tax losses not recognised as deferred tax assets	7,641	(1,247)	1,542	(3,676)
Tax effect of utilised unrecognised tax losses	(1,659)	(6,074)	(594)	(3,363)
Tax effect on IAS 29 adjustments	(57,962)	(23,755)	(8,982)	5,087
Withholding taxation	6,597	6,173	1,561	1,771
	39,831	**(3,735)**	**13,189**	**(15,989)**

Taxation is calculated at the rates prevailing in the respective jurisdictions:

Mauritius (tax credit of 80%, depending on type of income)	15%	15%
South Africa	27%	28%
Kenya	30%	30%
United Kingdom	25%	19%
Tanzania	30%	30%
Zambia	35%	35%
Zimbabwe	25.75%	25.75%

8. Goodwill

	30/11/2023 USD'000 (Unaudited)	28/02/2023 USD'000 (Audited)
Cost		
Opening balance	76,576	129,182
Impairment (see below)	-	(36,081)
Foreign exchange loss	(1,329)	(16,525)
Closing balance	**75,247**	**76,576**

Goodwill acquired in a business combination is allocated at acquisition to the Cash Generating Units (CGU's) that are expected to benefit from that business combination.

	30/11/2023 USD'000 (Unaudited)	28/02/2023 USD'000 (Audited)
Liquid Telecommunications Limited	2,850	2,850
Data Control and Systems (1996) (Private) Limited t/a Liquid Telecom Zimbabwe (see below)	5,581	5,581
Liquid Telecommunications Holdings South Africa (Pty) Limited	59,031	60,360
Liquid Telecommunications Zambia Limited	2,201	2,201
Raha Tanzania Holdings Limited	5,584	5,584
	75,247	**76,576**

Goodwill is tested at least annually for impairment as required by IAS 36 - *Impairment of assets* . The recoverable amounts of the cash generating units (CGU) were determined based on the value in use calculations. The calculations mainly used cash flow projections based on financial budgets covering a three to five-year period. Each CGU is considered to be the operating company, as this is the lowest level of identifiable assets that generate cash inflows, independent from other assets or groups of assets.

For the year ended 28 February 2023:

The following approach and key assumptions were used for the value in use calculations:

• The cash flows used are based on Board approved budgets and only take into account cash flows arising from the current asset base and not from any future developments in technology, acquisitions or change in business model and this includes certain cash flows which are anticipated but not yet fully contracted.
• Assessments are performed on a value in use basis, using a 5-year discounted cash flow method.
• Growth rates: the group used steady growth rates to extrapolate revenues beyond the budget period cash flows. The average growth rates used ranged from 0.5% to 4.2%.
• Discount rates: The country specific Weighted Average Cost of Capital ("WACC") is used as the discount rate which ranges from 10.3% to 21.5% (post-tax). The discount rates used reflect both time value of money and other specific risks relating to the relevant CGU and operating country.

- Data Control and Systems (1996) (Private) Limited t/a Liquid Telecom Zimbabwe ("LTZ")

During the year ended 28 February 2023, Zimbabwe Online (Private) Limited ("ZOL"), a 100% subsidiary of Data Control and Systems (1996)(Private) Limited t/a Liquid Telecom Zimbabwe ("LTZ") was merged into its parent on 1 March 2022. ZOL's retail business together with the Wholesale and Enterprise business of LTZ are now regarded as a single CGU as they both form part of the LTZ legal entity. This change has resulted in a reallocation of the goodwill from LTZ to Liquid Telecommunications Holdings Limited (LTH).

- Liquid Telecommunications Holdings South Africa (Pty) Limited ("LTHSA")

In carrying out the annual impairment testing as required by IAS 36 - *Impairment of assets,* a pre-tax impairment of USD 36.1 million was recorded against the goodwill that arose on the acquisition of Liquid Telecommunications South Africa (Pty) Limited by LTHSA. The impairment has resulted primarily from global inflationary pressures, leading to higher interest rates and WACC for LTHSA, which, together with other operational cost pressures have eroded the prior year headroom.

Specifically in relation to LTHSA, the following assumptions were applied:

• A terminal growth rate of 4.2% was applied in line with inflation forecasts for South Africa over a comparable period.
• LTHSA's WACC of 15.5% was used as the discount rate. On a pre-tax basis, this rate is 19.8%.

<u>Sensitivity analysis</u>

The group also performed a sensitivity analysis on three key inputs to the impairment assessment for LTHSA's goodwill and the results are shown below:

• An increase of 10% in the above terminal growth rate would result in no impairment and a decrease of 10% would result in a further impairment of USD 9.6 million.
• An increase of 10% in the above WACC would result in an additional impairment of USD 44.4 million and a decrease of 10% would result in no impairment, with headroom.
• An increase of 10% in the EBITDA forecasts in each period would result in no impairment, with significant headroom. A reduction of 10% in the EBITDA forecasts in each period would result in full impairment of the carrying value for the goodwill.

<u>Other CGUs</u>

- Sensitivity analysis

The group has conducted an analysis of the sensitivity of the impairment test to changes in the country specific Weighted Average Cost of Capital ("WACC") used to determine the recoverable amount for each CGU to which goodwill is allocated. Except for Liquid Telecommunications Holdings South Africa (Pty) Limited (as described above), an increase of 5% in the WACC would result in no impairment, with headroom. A decrease of 5% would still result in no impairment, with significant headroom.

9. Intangible assets

	Operating Licence	Computer Software	Fibre Optical - IRU	Customer Relationships	Work in Progress	Other Intangible Assets*	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost:							
At 01 March 2022 (Audited)	33,130	42,761	-	34,302	8,758	52,009	170,960
Purchases during the year	7,747	5,285	-	-	1,102	-	14,134
Disposals during the year	(887)	(4,931)	-	-	(25)	-	(5,843)
Transfers	-	831	-	-	(831)	-	-
Write off	-	(142)	-	-	-	-	(142)
Foreign exchange differences	(10,217)	(8,374)	-	(7,952)	-	(4,887)	(31,430)
Adjustments - IAS 29	2,621	922	-	-	-	-	3,543
Transfer to Pre-commencement lease payments	-	-	-	-	(5,900)	-	(5,900)
At 28 February 2023 (Audited)	32,394	36,352	-	26,350	3,104	47,122	145,322
Acquisition of subsidiary	-	-	-	82	-	-	82
Purchases during the period	638	2,372	-	-	2,023	-	5,033
Foreign exchange differences	(3,799)	(2,114)	-	(931)	3	(1,719)	(8,560)
Adjustments - IAS 29	3,128	1,108	-	-	-	-	4,236
Transfers	-	1,659	-	-	(1,659)	-	-
At 30 November 2023 (Unaudited)	32,361	39,377	-	25,501	3,471	45,403	146,113
Accumulated amortisation:							
At 01 March 2022 (Audited)	13,898	34,718	(13)	18,298	-	26,454	93,355
Amortisation	2,259	4,194	-	3,053	-	531	10,037
Disposals during the year	(442)	(4,844)	-	-	-	-	(5,286)
Write offs	-	(142)	-	-	-	-	(142)
Foreign exchange differences	(4,781)	(6,390)	13	(2,678)	-	(4,805)	(18,641)
Adjustments - IAS 29	1,190	595	-	-	-	-	1,785
At 28 February 2023 (Audited)	12,124	28,131	-	18,673	-	22,180	81,108
Amortisation	1,463	3,243	-	2,099	-	352	7,157
Foreign exchange differences	(2,020)	(1,662)	-	(430)	-	(1,318)	(5,430)
Adjustments - IAS 29	1,676	813	-	-	-	-	2,489
At 30 November 2023 (Unaudited)	13,243	30,525	-	20,342	-	21,214	85,324
Carrying amount:							
At 28 February 2023 (Audited)	20,270	8,221	-	7,677	3,104	24,942	64,214
At 30 November 2023 (Unaudited)	19,118	8,852	-	5,159	3,471	24,189	60,789

* This mainly comprises the brand and spectrum assets arising on the acquisition of Liquid Telecommunications South Africa (Pty) Limited.

10. Property, plant and equipment

	Land and buildings	Furniture and fittings	Computer equipment	Network equipment	Motor vehicles	Work in progress	Fibre infrastructure	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost:								
At 1 March 2022 (Audited)	21,764	12,084	33,077	108,802	13,151	45,602	1,179,054	1,413,534
Additions during the year	428	487	1,431	3,911	677	38,905	47,472	93,311
Disposals during the year	(944)	(275)	(2,703)	(1,265)	(29)	(2,722)	(29,952)	(37,890)
Impairment	-	-	-	-	-	(165)	(2,200)	(2,365)
Write offs	-	(74)	(117)	(1,132)	-	(11)	(209)	(1,543)
Transfers	-	142	235	2,464	182	(30,959)	27,936	-
Transfer to inventory	-	-	-	-	-	(7)	(15)	(22)
Foreign exchange differences	(6,663)	(3,801)	(4,222)	(19,692)	(6,816)	(14,136)	(462,654)	(517,984)
Adjustments - IAS 29	1,442	964	536	571	2,623	3,876	139,507	149,519
At 28 February 2023 (Audited)	16,027	9,527	28,237	93,659	9,788	40,383	898,939	1,096,560
Acquisition of subsidiary	-	4	97	-	-	-	-	101
Additions during the period	231	315	1,529	1,994	570	13,609	24,618	42,866
Disposals during the period	(167)	(4)	(181)	(21)	(130)	(2,708)	(21,459)	(24,670)
Transfers	-	68	90	25,638	-	(9,763)	(16,033)	-
Transfers to assets held for sale	-	-	(9)	-	-	-	(7,185)	(7,194)
Transfer from inventory	-	-	-	-	-	267	-	267
Foreign exchange differences	(2,038)	(1,809)	(1,745)	(14,330)	(3,864)	(7,237)	(202,007)	(233,030)
Adjustments - IAS 29	1,721	1,420	837	1,414	3,449	5,442	170,542	184,825
At 30 November 2023 (Unaudited)	15,774	9,521	28,855	108,354	9,813	39,993	847,415	1,059,725
Accumulated depreciation								
At 1 March 2022 (Audited)	7,671	10,061	30,258	96,242	9,890	(2,257)	555,432	707,297
Depreciation	298	622	1,409	9,277	622	-	49,140	61,368
Disposals during the year	(944)	(278)	(2,689)	(1,141)	(24)	-	(29,361)	(34,437)
Write offs	-	(63)	(117)	(1,053)	-	-	(55)	(1,288)
Foreign exchange differences	(1,296)	(3,082)	(3,646)	(15,118)	(5,109)	-	(186,891)	(215,142)
Adjustments - IAS 29	-	508	263	78	1,318	-	50,552	52,719
At 28 February 2023 (Audited)	5,729	7,768	25,478	88,285	6,697	(2,257)	438,817	570,517
Acquisition of subsidiaries	54	3	-	-	-	-	-	57
Depreciation	211	360	939	5,815	617	-	35,532	43,474
Disposals during the period	(5)	(2)	(173)	(3)	(102)	-	(6,766)	(7,051)
Transfers to assets held for sale	-	-	(4)	-	-	-	(482)	(486)
Transfers	-	-	-	2,565	-	-	(2,565)	-
Foreign exchange differences	(129)	(1,274)	(1,320)	(10,868)	(2,218)	-	(85,479)	(101,288)
Adjustments - IAS 29	-	875	386	1,258	1,783	-	69,254	73,556
At 30 November 2023 (Unaudited)	5,860	7,730	25,306	87,052	6,777	(2,257)	448,311	578,779
Carrying amount:								
At 28 February 2023 (Audited)	10,298	1,759	2,759	5,374	3,091	42,640	460,122	526,043
At 30 November 2023 (Unaudited)	9,914	1,791	3,549	21,302	3,036	42,250	399,104	480,946

11. Right-of-Use assets

	Land and buildings USD'000	Furniture and fittings USD'000	Network equipment USD'000	Motor vehicles USD'000	Fibre infrastructure USD'000	Fibre Optical - IRU USD'000	Total USD'000
Cost:							
At 1 March 2022 (Audited)	117,935	16	43,352	2,343	34,959	114,780	313,385
Additions during the year	24,935	-	10,254	240	62,905	3,998	102,332
Disposals during the year*	(2,504)	(16)	(51)	(149)	(3,958)	(466)	(7,144)
Transfer from pre-commencement lease payments**	-	-	-	-	-	33,541	33,541
Write offs	(2,581)	-	-	-	-	-	(2,581)
Foreign exchange differences	(57,240)	-	(1,231)	(353)	(6,659)	(3,568)	(69,051)
Adjustments - IAS 29	20,624	-	-	-	-	-	20,624
At 28 February 2023 (Audited)	101,169	-	52,324	2,081	87,247	148,285	391,106
Additions during the period	11,582	-	16,131	-	5,905	3,542	37,160
Disposals during the period	(5,622)	-	-	-	(958)	-	(6,580)
Write offs	(1,035)	-	-	-	-	-	(1,035)
Transfers to assets held for sale	-	-	-	-	-	(463)	(463)
Foreign exchange differences	(39,664)	-	(2,858)	(112)	(1,527)	(1,639)	(45,800)
Adjustments - IAS 29	57,816	-	-	-	-	-	57,816
At 30 November 2023 (Unaudited)	124,246	-	65,597	1,969	90,667	149,725	432,204
Accumulated depreciation:							
At 1 March 2022 (Audited)	38,407	-	18,232	1,584	21,383	65,092	144,698
Depreciation	15,434	-	14,191	512	18,032	5,822	53,991
Disposals during the year*	(1,795)	-	(50)	(149)	(3,448)	(349)	(5,791)
Write offs	(2,581)	-	-	-	-	-	(2,581)
Foreign exchange differences	(12,896)	-	(374)	(272)	(4,392)	(3,100)	(21,034)
Adjustments - IAS 29	504	-	-	-	-	-	504
At 28 February 2023 (Audited)	37,073	-	31,999	1,675	31,575	67,465	169,787
Depreciation	10,798	-	9,673	162	12,748	5,965	39,346
Disposals during the period	(2,403)	-	-	-	(958)	-	(3,361)
Write offs	(1,035)	-	-	-	-	-	(1,035)
Transfers to assets held for sale	-	-	-	-	-	(13)	(13)
Foreign exchange differences	(7,074)	-	(1,619)	(77)	(965)	(1,356)	(11,091)
Adjustments - IAS 29	24,263	-	-	-	-	-	24,263
At 30 November 2023 (Unaudited)	61,622	-	40,053	1,760	42,400	72,061	217,896
At 28 February 2023 (Audited)	64,096	-	20,325	406	55,672	80,820	221,319
At 30 November 2023 (Unaudited)	62,624	-	25,544	209	48,267	77,664	214,308

No impairment was required following the review of the carrying value of Right-of-Use assets by the directors for the period ended 30 November 2023 (28 February 2023: Nil).

* relate to lease modifications or cancellations.
** During the year ended 28 February 2023, USD 33.5m was transferred from pre-commencement lease payments to Right-of-Use assets as the assets were brought into use.

12. Cash and cash equivalents, and restricted cash and cash equivalents

	30/11/2023 USD'000 (Unaudited)	28/02/2023 USD'000 (Audited)
Cash and bank balances	53,520	88,393
Money market deposits	4,062	-
Cash and cash equivalents	**57,582**	**88,393**
Restricted cash and cash equivalents	**427**	**425**
Total cash and cash equivalents	**58,009**	**88,818**

The cash and cash equivalents are mainly denominated in USD, GBP, KES, ZAR and ZWL$ and are located in Mauritius, United Kingdom, Kenya, South Africa and Zimbabwe.

Cash and cash equivalents include USD 12.4 million (28 February 2023: USD 28.3 million) in Zimbabwe held in cash, short term deposits and similar instruments. These amounts have been translated at the rate of ZWL$:USD of 5,791.1:1 (28 February 2023: ZWL$:USD of 892.6:1). See note 2.2 - *Zimbabwean currency* for more detailed disclosure on ZWL$.

The group has restricted cash for the following purposes:

	30/11/2023 USD'000 (Unaudited)	28/02/2023 USD'000 (Audited)
Guarantees	1	1
Customer deposits held	426	424
	427	**425**

13. Trade and other receivables

	30/11/2023 USD'000 (Unaudited)	28/02/2023 USD'000 (Audited)
Trade receivables from external parties	114,777	128,959
Trade receivables from related parties (note 18)	44,199	35,436
Expected credit loss provision	(37,544)	(42,372)
Total trade and related parties receivables, net of expected credit loss provision	**121,432**	**122,023**
Short-term inter-company receivables (note 18)	32,451	21,813
Sundry debtors	44,704	61,735
Deposits paid	4,267	5,051
Prepayments	41,270	36,305
	244,124	**246,927**

Sundry debtors mainly include accrued income, VAT receivable and non-operating receivables.

The average credit period for the group is 30 days. In determining the recoverability of a trade receivable, the group makes use of forward-looking information based on the assumptions about risk and probability of default and expected loss rates. The group assesses the recoverability on both a collective and individual basis.

Before accepting any new customer, the group ascertains the creditworthiness and identity of the customer by means of an external credit scoring system and customer acceptance forms which are required to be filled in by any new customer. The creditworthiness of customers is reviewed throughout the period.

The receivable balances from affiliated entities and other related parties are unsecured, interest free and are payable in accordance with the terms of the relevant agreements, under which payment terms range from 30 days to 6 months.

The following table details the risk profile of trade receivables and related parties receivables. Lifetime ECL on receivables are assessed individually.

	Current	Past due				Total
	Current USD'000	31 - 60 days USD'000	61 - 90 days USD'000	91 - 120 days USD'000	> 120 days USD'000	Total USD'000
As at 30 November 2023						
Trade and related parties receivables - Gross	50,169	9,840	14,090	12,694	72,183	158,976
Lifetime ECL	(9,256)	(578)	(378)	(319)	(27,013)	(37,544)
Trade and related parties receivables - Net	**40,913**	**9,262**	**13,712**	**12,375**	**45,170**	**121,432**
Default rate	18.4%	5.9%	2.7%	2.5%	37.4%	
As at 28 February 2023						
Trade and related parties receivables - Gross	51,277	28,936	14,994	12,588	56,600	164,395
Lifetime ECL	(3,868)	(2,259)	(1,088)	(750)	(34,407)	(42,372)
Trade and related parties receivables - Net	**47,409**	**26,677**	**13,906**	**11,838**	**22,193**	**122,023**
Default rate	7.5%	7.8%	7.3%	6.0%	60.8%	

The trade receivables and related parties balances disclosed above include amounts that are past due at the end of the reporting period, but for which the group has not recognised an expected credit loss provision, because there has been no significant change in the assumptions about risk and probability of default and the amounts are still considered recoverable.

14. Long-term borrowings and short term portion of long-term borrowings

	30/11/2023 USD'000 (Unaudited)	28/02/2023 USD'000 (Audited)
Long-term borrowings:		
USD 620 million 5.5% Senior Secured Notes (i)	612,012	609,840
Net settled: Embedded derivatives (note 22)	1,878	1,878
USD 220 million equivalent South African Rand term loan (ii)	147,630	150,406
Stanbic Bank of Zambia Limited (iii)	1,042	1,249
Other long-term borrowings	381	-
	762,943	**763,373**
Short-term portion of long term borrowings (including interest accrued):		
USD 620 million 5.5% Senior Secured Notes (i)	8,525	17,050
USD 220 million equivalent South African Rand term loan (ii)	6,870	13,800
Stanbic Bank of Zambia Limited (iii)	1,257	3,636
USD 60 million revolving credit facility (iv)	26,756	201
Other Short-term portion of long term borrowings	219	-
	43,627	**34,687**

(i) The USD 620 million 5.5% Senior Secured Notes bear interest, payable half yearly, at the rate of 5.5% and are payable at maturity in September 2026. The Notes were issued by Liquid Telecommunications Financing Plc on 24 February 2021 and are guaranteed on a Senior Secured basis by: Liquid Telecommunications Holdings Limited, Liquid Telecommunications Operations Limited, Liquid Telecommunications Limited, Liquid Telecommunications Kenya Limited, Liquid Telecommunications Holdings South Africa (Pty) Limited, Liquid Telecommunications South Africa (Pty) Limited, Liquid Telecom DRC S.A. and Liquid Telecommunications Zambia Limited with various types of collateral. Such collateral includes (among other things): (i) share pledges and charges over assets, including bank accounts, (ii) assignment over present and future intercompany loans receivables and agreements (iii) assignment over receivables including trade debtors, intellectual property rights and insurances, and (iv) deed of hypothecation over trademarks.

(ii) On 25 February 2021, Liquid Telecommunications South Africa (Pty) Limited entered into a 5 year ZAR 3.3 billion term loan with the Standard Bank of South Africa Limited (acting through its corporate and investment banking division) and Standard Chartered Bank – Johannesburg branch. The term loan was initially split equally between an amortising tranche and a bullet repayment tranche, for which the interest rates are JIBAR plus 4.5% and 5.0% respectively. The syndicators of this loan are: Standard Bank of South Africa Limited, Sanlam Investment Management Pty Ltd, Sanlam Life Insurance Ltd, State Bank of India (SBI), Stanlib Asset Management and Liberty Group. In June 2021, Liquid Telecommunications South Africa (Pty) Limited refinanced a portion of the term loan, amounting to ZAR 1.0 billion, with the International Finance Corporation with interest payable quarterly at JIBAR plus 5%. Following the refinancing, the term loan is now split between an amortising tranche and two separate bullet repayment tranches, representing one third and two thirds respectively of the term loan.

The covenants relevant to this loan are Net debt to EBITDA, Interest cover and Debt Service Cover Ratio.

On 26 April 2023, our lending partners (in relation to the USD 220 million equivalent South African Rand term loan) approved our pre-emptive request for a deferral of the net debt to Adjusted EBITDA ratio due to the prospect of further exchange rate volatility in certain markets. As a result, the step down from 4.0x to 3.5x that was due to take place at the end of May 2023 will now occur in February 2024 and a second step down from 3.5x to 3.0x that was due to take place in May 2024, took place in August 2024. All other terms remain unchanged.

(iii) Liquid Telecommunications Zambia Limited has USD 23.3 million (maturity in the financial year 2025) of term loans denominated in local currency (Zambian Kwacha). As at 30 November 2023, the outstanding balance on all term loans is USD 2.3 million. Liquid Telecommunications Holdings Limited guaranteed up to USD 13.0 million in aggregate of these facilities. The facility agreement also included a first ranking charge over certain assets including bank accounts and receivables of Liquid Telecommunications Zambia Limited. The facility bears interest at the rate of 23.5%. Capital and interest are repaid on a quarterly basis. The financial covenants for this facility are Total debt to EBITDA and Debt Service Ratio.

(iv) In addition to the USD 620 million 5.5% Senior Secured Notes and the USD 220 million equivalent South African Rand term loan, the group has a USD 60 million Revolving Credit Facility agreement between the company, JP Morgan Chase Bank N.A., London branch, Standard Finance (Isle of Man), Standard Chartered Bank (Mauritius) Limited and the Mauritius Commercial Bank Limited. The Revolving Credit Facility is secured and is guaranteed on a senior secured basis by, Liquid Telecommunications Operations Limited, Liquid Telecommunications Limited, Liquid Telecommunications Financing Plc, Liquid Telecommunications Kenya Limited, Liquid Telecommunications Holdings South Africa (Pty) Limited, Liquid Telecommunications South Africa (Pty) Limited, Liquid Telecom DRC S.A. and Liquid Telecommunications Zambia Limited. The obligations under the Revolving Credit Facility are secured equally and ratably with the Senior Secured Notes by first priority liens over the security. The Revolving Credit Facility facility is denominated in USD, bears interest at the rate of LIBOR plus 4.25%, subject to certain adjustments for the net leverage ratio and is to be utilised for general corporate purposes. The facility holds the same covenant obligations as the South African term loan referenced above.

15. Lease liabilities

	30/11/2023 USD'000 (Unaudited)	28/02/2023 USD'000 (Audited)
Long-term portion of lease liabilities	81,860	103,661
Short-term portion of lease liabilities	23,145	31,342
	105,005	**135,003**

16. Trade and other payables

	30/11/2023 USD'000 (Unaudited)	28/02/2023 USD'000 (Audited)
Trade accounts payable to external parties	110,154	103,202
Trade payable balance to related parties (note 18)	11,851	15,779
Short-term inter-company payables (note 18)	1,434	-
Accruals	45,906	45,920
Staff payables	3,996	4,745
Transaction taxes due in various jurisdictions	9,125	4,456
Other short-term payables	929	16,202
	183,395	**190,304**

The average credit period on purchases of goods and services is 30 to 60 days. No interest is charged on the trade payables for the first 60 days from the date of invoice. Thereafter, interest is generally charged at 2% per annum on the outstanding balance. The group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed terms.

The directors consider the carrying amount of trade and other payables to approximate their fair value.

Amounts payable to related parties and related company are unsecured, interest free and with no fixed date of repayment.

Accruals mainly relate to wholesale voice carrier amounts accrued for in the ordinary course of business and major capital expenditure for on-going fibre related projects.

17. Deferred revenue

	30/11/2023 USD'000 (Unaudited)	28/02/2023 USD'000 (Audited)
Long-term portion of deferred revenue	56,156	65,553
Short-term portion of deferred revenue	46,767	33,806
	102,923	**99,359**

Deferred revenue mainly relates to revenue billed in advance which includes deferred revenue on any Indefeasible-Rights-of-Use (IRU) that will be amortised over a period of 10 to 15 years, roaming services and other advance billings that will be amortised over a period of 1 to 3 years.

18. Related party transactions and balances

In addition to the subsidiary companies the following are related parties to the Liquid Telecommunications Holdings Limited group:

• Econet Wireless Private Limited (Zimbabwe), Econet Telecom Lesotho (Pty) Limited (Lesotho), Transaction Payment Solutions (Private) Limited (Zimbabwe), Econet South Africa (Pty) Limited, Steward Bank Limited, Econet Wireless Zimbabwe Limited, Cassava FinTech (Pty) Ltd, Distributed Power Africa Proprietary Limited, VAYA Africa Mauritius Ltd, Distributed Power Africa (Private) Limited, Cassava Technologies Limited and Distributed Power Africa Limited and are referred to as "Econet Global related group companies";

• Africa Data Centres Holdings Limited (UK), African Data Centres (Pty) Limited (South Africa), Africa Data Centres SA Development (Pty) Limited (South Africa), ADC (Jersey) Limited, Africa Data Centres Lagos FZE (Nigeria) and East Africa Data Centre Limited (Kenya) and are referred to as ''Africa Data Centres related group companies'';

• Telrad Networks Limited (Israel), Marmanet Organization and Projects Management Limited (Israel) and Magalcom Limited (Israel) and are referred to as ''Telrad related group companies'';

• Liquid Technologies Infrastructure Finance SARL;

• Liquid Intelligent Technologies Limited;

• Liquid Delta (Jersey) Limited;

• Telrad Networks Ltd;

• Liquid ECG Infraco (Pty) Ltd; and

• Liquid Telecommunications (Jersey) Ltd.

The above companies have been disclosed as related parties due to their common control.

Transactions between the group and its subsidiaries, which are related parties of the group, have been eliminated on consolidation and are not disclosed in the group note. The amounts outstanding are unsecured. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties. During the year, the group entered into the following trading transactions with related parties:

	9 months ended		3 months ended	
	30/11/2023 USD'000 (Unaudited)	30/11/2022 USD'000 (Unaudited)	30/11/2023 USD'000 (Unaudited)	30/11/2022 USD'000 (Unaudited)
Sales of goods and services				
Econet Global related group companies	**70,915**	**59,553**	**24,423**	**23,238**
Purchase of goods and services				
Econet Global related group companies	**19,141**	**16,993**	**6,046**	**6,083**
Management fees expense				
Econet Global related group companies	**360**	**180**	**150**	**60**

18. Related party transactions and balances (continued)

	9 months ended		3 months ended	
	30/11/2023	30/11/2022	30/11/2023	30/11/2022
	USD'000	USD'000	USD'000	USD'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Management fees income				
Africa Data Centres related group companies	495	396	128	-
Econet Global related group companies	77	184	9	101
Liquid Intelligent Technologies Limited	-	92	-	31
Liquid Telecommunications (Jersey) Ltd	2,243	1,231	748	543
	2,815	**1,903**	**885**	**675**
Dividend paid				
Other shareholders (net of taxes)	**360**	**371**	**-**	371
Interest income				
Econet Global related group companies	462	281	158	116
Liquid Intelligent Technologies Limited	192	109	68	47
Africa Data Centres related group companies	13,556	11,200	4,373	3,317
	14,210	**11,590**	**4,599**	**3,480**
Finance costs				
Liquid Technologies Infrastructure Finance SARL	**247**	**146**	**84**	**63**
Administration fees paid				
DTOS Limited	**340**	**240**	**115**	**97**

The group has the following balances at the period end:

	30/11/2023	28/02/2023
	USD'000	USD'000
	(Unaudited)	(Audited)
Short-term receivables from related parties		
Africa Data Centres related group companies	16,167	17,119
Liquid Technologies Infrastructure Finance SARL	2,751	3,348
Liquid Telecommunications (Jersey) Ltd	9,830	-
Liquid Intelligent Technologies Limited	7	7
Econet Global related group companies	3,696	1,339
	32,451	**21,813**
Short-term payables to related parties		
Liquid ECG Infraco (Pty) Ltd	**1,434**	**-**
Receivables balances from related parties		
Econet Global Limited (Mauritius)	4,999	4,999
Econet Global Related Group Companies	24,144	27,422
Liquid Delta (Jersey) Limited	28	28
Telrad related group companies	-	2,697
Liquid Intelligent Technologies Limited	766	290
Liquid ECG Infraco (Pty) Ltd	6,161	-
Liquid Telecommunications (Jersey) Ltd	3,976	-
Africa Data Centres related group companies	4,125	-
	44,199	**35,436**
Payable balance to related parties		
Econet Global related group companies	1,259	1,045
Africa Data Centres related group companies	5,736	10,313
Liquid Delta (Jersey) Limited	135	-
Liquid Technologies Infrastructure Finance SARL	4,716	4,421
	11,851	**15,779**
Long-term receivables from related parties		
Africa Data Centres related group companies	135,175	129,771
Liquid Intelligent Technologies Limited	3,270	2,794
Liquid ECG Infraco (Pty) Ltd	10,998	-
Econet Global related group companies	-	671
	149,443	**133,236**

19. Capital commitments

	30/11/2023	28/02/2023
	USD'000	USD'000
	(Unaudited)	(Audited)
At 30 November 2023, the group was committed to making the following capital commitments:		
Authorised and contracted	**27,723**	**33,001**

The capital expenditure is to be financed from internal cash generation and existing funding facilities.

20. Events after reporting date

There have been no material events after reporting date which would have a material impact on the group.

21. Dividend

Period ended 30 November 2023:

Liquid Telecommunications Rwanda Limited, a subsidiary of the group, declared and paid a dividend of USD 1.2 million. USD 360,000 is attributable to the non-controlling interests of the subsidiary.

Period ended 30 November 2022:

Liquid Telecommunications Rwanda limited, a subsidiary of the group, paid a dividend during the period. USD 300,000 is attributable to the non-controlling interests of the subsidiary.

Worldstream (Pty) Ltd, a subsidiary of the group, paid a dividend during the period. USD 141,456 is attributable to the non-controlling interests of the subsidiary.

22. Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

• Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
• Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
• Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	USD'000	USD'000	USD'000	USD'000
30 November 2023				
Investments at FVTOCI (i)	2,100	-	15,314	17,414
Total (Unaudited)	**2,100**	**-**	**15,314**	**17,414**

	Level 1	Level 2	Level 3	Total
	USD'000	USD'000	USD'000	USD'000
28 February 2023				
Investments at FVTOCI (i)	-	-	15,314	15,314
Total (Audited)	**-**	**-**	**15,314**	**15,314**

(i) Investments at Fair Value Through Other Comprehensive Income (FVTOCI)

	30/11/2023	28/02/2023
	USD'000	USD'000
	(Unaudited)	(Audited)
Opening balance	15,314	15,314
Additions	2,365	-
Disposals	(1,808)	-
Fair value gain	1,543	-
Closing balance	**17,414**	**15,314**

(ii) Net settled: Embedded derivatives

The following table details the group's liquidity analysis for its derivative financial instruments based on contractual maturities. The table has been drawn up based on the undiscounted net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

The derivatives represent the fair value of the call options embedded within the terms of the Notes. The call options give the group the right to redeem the Notes at a date prior to the maturity date (4 September 2026), at a premium over the initial notional amount.

The options are fair valued using an option pricing model that is commonly used by market participants to value such options and makes the maximum use of market inputs, relying as little as possible on the group's specific inputs and making reference to the fair value of similar instruments in the market. Thus, it is considered a level 2 financial instrument in the fair value hierarchy of *IFRS 13 - Fair value measurement.*

The key assumptions used to estimate the fair value are:

1. the initial fair value of the Notes (being the issue price of 100% on the issue date);
2. the credit spread (implied from the issue price of the bond); and
3. the discount curve (Secured Overnight Financing Rate Data).

22. Fair value measurements recognised in the consolidated statement of financial position (continued)

	Within 1 year USD'000	1 to 2 years USD'000	2 to 5 years USD'000	More than 5 years USD'000	Total USD'000
Group - 30 November 2023					
Net settled: Embedded derivatives	-	-	(1,878)	-	(1,878)
Group - 28 February 2023					
Net settled: Embedded derivatives	-	-	(1,878)	-	(1,878)

	30/11/2023 USD'000 (Audited)	28/02/2023 USD'000 (Audited)
Opening balance	(1,878)	2,119
Fair value loss recognised in statement of profit or loss	-	(3,997)
Closing balance	**(1,878)**	**(1,878)**

23. Non-cash transactions

In the current financial period, the non-cash portion of finance costs consists of USD 2.7 million (30 November 2022: USD 2.8 million) of amortised arrangement fees relating to the USD 620 million 5.5% Senior Secured Notes and USD 220 million equivalent South African Rand term loan. Accrued interest of USD 8.5 million (30 November 2022: USD 9.2 million) has been excluded from financing activities as at 30 November 2023.

24. Earnings / (loss) per share

	9 months ended		3 months ended	
	30/11/2023 USD'000 (Unaudited)	30/11/2022 USD'000 (Unaudited)	30/11/2023 USD'000 (Unaudited)	30/11/2022 USD'000 (Unaudited)
Basic earnings / (loss) per share (Cents per share)	10.43	(44.99)	(8.74)	(0.63)

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings / (loss) per share are as follows:

Earnings / (loss) attributable to owners of the company	13,021	(56,174)	(10,912)	(781)

	9 months ended	
	30/11/2023 USD'000 (Unaudited)	30/11/2022 USD'000 (Unaudited)
Weighted average number of ordinary shares for the	124,857,914	124,857,914

At 30 November 2023, the share capital of USD 3.7 million represents 124,857,914 ordinary shares (30 November 2022: 124,857,914 ordinary shares).

25. Contingent liabilities

Uncertain Tax Positions

The group has a number of tax audits underway across the various jurisdictions in which it operates. These audits are routine and often involve discussion and negotiation with the relevant authorities. When assessing the potential outcome of these audits, the group uses judgement based on past experience, industry practice and advice from local tax advisers. Where the assessment finds that a tax liability is probable, a tax provision is made through current tax. Where the group considers it has a robust position, no tax provision is made, however, these positions are kept under review as the audit process progresses and in some or all cases, the outcome of the audit and discussions with the tax authorities may be different to that anticipated by the group. Although the group currently has potential Uncertain Tax Provisions across a number of jurisdictions (principally the DRC, Kenya, Tanzania, Zambia and Zimbabwe), it does not believe that these Uncertain Tax Provisions will materialise in full. The group has a history of negotiating final settlements at an amount which is significantly lower than that initially indicated by the Tax Authority. In recent periods, this settlement rate has been in the region of 15% - 20%.

26. Reconciliation

26.1 Reconciliation of Operating profit to Adjusted EBITDA

Below is a reconciliation of Operating profit, as shown in the consolidated statement of profit or loss, to Adjusted EBITDA reported in note 3 - *Segment information.*

	9 months ended		3 months ended	
	30/11/2023 USD'000 (Unaudited)	30/11/2022 USD'000 (Unaudited)	30/11/2023 USD'000 (Unaudited)	30/11/2022 USD'000 (Unaudited)
Operating profit	86,973	73,625	26,302	34,106
Add back:				
Depreciation, impairment and amortisation	89,987	82,793	29,015	25,656
Dividend received	44	-	-	-
Adjusted EBITDA (note 3)	**177,004**	**156,418**	**55,317**	**59,762**

26.2 Reconciliation (continued)

Reconciliation of consolidated statement of profit or loss to management profit or loss

The group has standardised its consolidated statement of profit or loss to comply with IAS 1 nature of expense method of presentation. The change resulted in reclassification from Data and network related costs to Administrative expenses.

A reconciliation of the consolidated statement of profit or loss and management profit or loss is included below:

	Consolidated statement of profit or loss USD'000 (Unaudited)	Reclassification of network costs USD'000 (Unaudited)	Revised statement of profit or loss USD'000 (Unaudited)
9 months ended 30 November 2023:			
Revenue	494,245	-	494,245
Interconnect related costs	(33,941)	-	(33,941)
Data and network related costs	(130,730)	26,248	(104,482)
Gross Profit	329,574	26,248	355,822
Other income	3,845	-	3,845
Dividend received	44		44
Selling, distribution and marketing costs	(8,325)	-	(8,325)
Expected credit loss provision	(3,546)	-	(3,546)
Administrative expenses	(43,817)	(26,248)	(70,065)
Staff costs	(100,771)	-	(100,771)
Adjusted EBITDA	**177,004**	**-**	**177,004**
9 months ended 30 November 2022:			
Revenue	443,812	-	443,812
Interconnect related costs	(34,082)	-	(34,082)
Data and network related costs	(118,762)	26,898	(91,864)
Gross Profit	290,968	26,898	317,866
Other income	2,274	-	2,274
Selling, distribution and marketing costs	(7,366)	-	(7,366)
Expected credit loss provision	(6,112)	-	(6,112)
Administrative expenses	(40,889)	(26,898)	(67,787)
Staff costs	(82,457)	-	(82,457)
Adjusted EBITDA	**156,418**	**-**	**156,418**
3 months ended 30 November 2023:			
Revenue	167,255	-	167,255
Interconnect related costs	(11,834)	-	(11,834)
Data and network related costs	(46,598)	9,062	(37,536)
Gross Profit	108,823	9,062	117,885
Other income	1,557	-	1,557
Dividend received	-	-	-
Selling, distribution and marketing costs	(3,414)	-	(3,414)
Expected credit loss provision	(855)	-	(855)
Administrative expenses	(16,126)	(9,062)	(25,188)
Staff costs	(34,668)	-	(34,668)
Adjusted EBITDA	**55,317**	**-**	**55,317**
3 months ended 30 November 2022:			
Revenue	156,350	-	156,350
Interconnect related costs	(11,607)	-	(11,607)
Data and network related costs	(43,664)	10,071	(33,593)
Gross Profit	101,079	10,071	111,150
Other income	825	-	825
Selling, distribution and marketing costs	(2,948)	-	(2,948)
Expected credit loss provision	(1,877)	-	(1,877)
Administrative expenses	(13,838)	(10,071)	(23,909)
Staff costs	(23,479)	-	(23,479)
Adjusted EBITDA	**59,762**	**-**	**59,762**

27 Acquisition of subsidiary

In March 2023, the group announced that it has satisfied all agreed conditions for the acquisition of Cysiv MEA, a technology company that was formerly SecureMisr, headquartered in Cairo, for a consideration of USD 43. The business specialises in providing enterprise cloud and cyber security services to some of Egypt's leading companies, particularly in the financial services sector. The acquisition allows the group to bring some of the best global cloud and cyber security products to the Egyptian market. The organisation will rebrand Cysiv MEA to 'Liquid C2' to align it with its global cloud and cybersecurity identity. The group plans to significantly grow the Egyptian business by tapping into the wealth of local tech talent, making Egypt a key hub for the Middle East and North Africa (MENA) region.

The acquisition resulted in a gain on bargain purchase of USD 0.3 million. As the initial accounting of this acquisition was still incomplete by 30 November 2023, the group has reported provisional amounts, in accordance with IFRS 3 - *Business combination,* based on management best estimates.

	30/11/2023 USD'000 (Unaudited)
Consideration transferred (USD 43)	-
Fair value of identifiable net assets acquired	272
Gain on bargain purchase	**272**
Net cash inflow on acquisition of subsidiary	
Consideration transferred (USD 43)	-
Cash and cash equivalents of subsidiary on acquisition	148
Net cash inflow arising on acquisition	**148**

28 Immediate, intermediate and ultimate holding companies

The directors regard Liquid Telecommunications (Jersey) Limited, incorporated in Jersey, as the immediate holding company, Econet New Arx Limited as the intermediate holding company and Econet Global Limited as the ultimate holding company, both incorporated in Mauritius.